

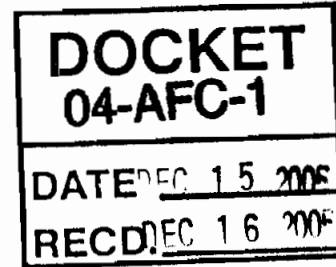


SAN FRANCISCO PUBLIC UTILITIES COMMISSION

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December 15, 2005



Mr. William Pfanner
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SUSAN LEAL
GENERAL MANAGER

RE: SFPUC : Summary Workplan Regarding Additional Site Characterization
Activities San Francisco Electric Reliability Project (04-AFC-01)

Dear Bill:

During the meeting between CEC Staff and representatives of the City and County of San Francisco (Applicant) on November 10, 2005, a general discussion took place regarding the need for additional site characterization on the 4-acre SFERP site. As a result of that meeting Applicant was asked to prepare a summary workplan for submittal to CEC Staff addressing activities to be performed for this additional site characterization per Staff's proposed Conditions of Certification WASTE-7 and -8.

The purpose of the following discussion is to provide Applicant's proposed approach for moving forward, including a very general schedule of activities, for site characterization, risk assessment update, and potential soil removal at the proposed SFERP site.

Task 1--Preparation of Sampling and Analysis Workplan

Applicant is currently preparing a Sampling and Analysis Workplan that will address Staff's request for additional discreet sampling on the southern third of the SFERP site. It is anticipated that this detailed workplan will propose an additional 4 to 6 discreet sample locations with samples collected at the surface, at 5 feet, at 10 feet, and at a level where groundwater is encountered. Applicant anticipates that samples will be analyzed for total petroleum hydrocarbons as diesel (TPH-D), TPH as motor oil (TPH-MO), TPH as oil (TPH-Bunker), TPH as gasoline (TPH Gasoline), arsenic, lead, asbestos and pH levels, naphthalene, and PAH's. In addition, the detailed work plan will provide an approach for soil gas sampling at the site.

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Applicant anticipates that a draft of the Sampling and Analysis Work plan will be provided to the City Department of Public Health (DPH) for Article 22A concurrence, to the San Francisco Bay Regional Water Quality Control Board (SFBRWQCB), to the Department of Toxic Substances Control (DTSC) and to CEC staff. Applicant is currently preparing the work plan and hopes to have copies available for agency review in early January 2006. Applicant plans to initiate site sampling activities immediately following agency review, currently anticipated for mid to late January 2006.

Task 2—Preparation of Risk Assessment Work plan and Revised Risk Assessment

Applicant notes that prior Human Health Risk Assessments of the Western Pacific Area have concluded that there are no significant risks in light of existing and ongoing risk management practices. These Assessments are in the process of being reviewed by the agencies with jurisdiction. That said, in order to move the proceeding along in an expeditious manner Applicant is committing to update the previously-performed Human Health Risk Assessment by incorporating newly collected data.

Upon receipt of the analytical results from the additional site sampling described in Task 1, Applicant's consultant risk assessment staff will prepare a Risk Assessment Work plan addressing soil and groundwater contamination. This work plan will be submitted to the San Francisco DPH, SFBRWQCB, and DTSC for review and comment and to the CEC for review and approval. Upon approval of the work plan, an updated Human Health Risk Assessment will be performed. Applicant will use existing and new data collected at the SFERP site. In addition, risk assessments prepared for the MUNI project and for the Port of San Francisco (that includes the 4-acre SFERP site) will be evaluated as a starting point for the updated risk evaluations. Data obtained from the Task 1 activities will be compared with previously collected data against typical exposure pathways for construction and operation scenarios of the SFERP. A draft Updated Human Health Risk Assessment will then be provided to the San Francisco DPH, SFBRWQCB, and DTSC for review and comment and to the CEC for review and approval. If the updated risk assessments conclude that current site conditions could result in unacceptable risks to human health during SFERP construction or operation, Applicant will move forward with Task 3 as described below.

Task 3—Removal Action Plan Preparation and Implementation

In previous submittals to the CEC Applicant has indicated that we are working with the SFBRWQCB to ensure that the current Risk Management Plan and Site Management Plan (RMP/SMP) for the SFERP site are adequate and fully implemented. Under the RMP/SMP, the following general risk management practices must be taken before, during construction, and after development of the SFERP:

- Provide site security during construction and facility operation
- Develop and implement a site-specific health and safety plan prior to any development activities at the site addressing mitigation measures (e.g., personnel protective equipment, dust controls) for site construction workers
- Minimize groundwater contact by construction workers
- After site development, maintain covering on the site (asphalt or two feet of clean fill), implement management protocols for future subsurface development, maintain groundwater use restrictions, and agency notification in the event of a change in property use.

If the risk assessments performed under Task 2 and the general management practices required by the RMP/SMP described above still indicate an unacceptable risk that cannot be mitigated to acceptable levels, a Removal Action Plan will be prepared. For planning purposes, Applicant anticipates that any site remediation activities will be limited to hot spot removals. The Removal Action Plan will indicate the anticipated lateral extent of hot spot contamination, methods used during excavation to determine that the entirety of the hot spot has been removed, storage procedures to be implemented while samples of the excavated materials are being analyzed and characterized, and procedures to be used for ultimate waste disposition at a fully permitted waste treatment, storage, or disposal facility. The Removal Action Plan will also contain a site-specific Health and Safety Plan that will be used during soil excavation and storage.

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Ecological Risk Assessment

Staff has requested the City undertake an Ecological Risk Assessment to assess impacts on marine life in the Bay. The City is still reviewing the propriety and need for such an Assessment. Staff has based its concerns solely on pre-existing contamination and has not alleged that the project will create any new ecological risk to the Bay nor has staff articulated to the City a connection between the proposed project and increased-ecological risks, rather the proposed project will likely reduce ecological risks by capping the proposed site. Moreover, prior Ecological Risk Assessments of the Western Pacific Area have concluded that there are no significant risks in light of existing and ongoing risk management practices (See attachment). These Assessments are being reviewed by the agencies with jurisdiction. Moreover, staff has not pointed to any LORS that provides the basis for an Ecological Risk Assessment; such an assessment is not a requirement under Article 22A. The City intends to continue discussions related to the need for an Ecological Risk Assessment with staff and the relevant agencies.

Please call me at 415-934-5735 if you have any questions.

Sincerely yours,



Karen Kubick, PE
Power Enterprise
Manager of Infrastructure Development

ATTACHMENT

cc: Project File
Proof of Service List

Attachment:

MUNI Metro East Site Risk Assessments

June 1989: Dames & Moore, Phase II Site Characterization/Risk Assessment, Union Pacific Army Street Site,

- Evaluation of risks to public health and environment
- Includes Feasibility Study Summary to identify preferred remedial alternative

Dec.1999: AGS Inc., Site Characterization/Corrective Measure Study and Article 22A Soil Characterization Report,

- Includes HH Risk Assessment and Ecological Risk Assessment

Sept. 2000, Geomatrix, Human Health and Ecological Risk Assessment,

- Separate risk evaluations were conducted for the Port Site and the Unleased Port Subsite due to Port plans to develop the sites separately.

**BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION OF THE
STATE OF CALIFORNIA**

**APPLICATION FOR CERTIFICATION
FOR THE SAN FRANCISCO ELECTRIC
RELIABILITY PROJECT**

**Docket No. 04-AFC-01
PROOF OF SERVICE
*Revised 8/03/05**

DOCKET UNIT

Instructions: Send an original signed document plus 12 copies or an electronic copy plus one original paper copy to the address below:

**CALIFORNIA ENERGY COMMISSION
Attn: Docket No. 04-AFC-01
DOCKET UNIT, MS-4
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DECLARATION OF SERVICE

I, Evelyn M Johnson declare that on December 27, 2005, I deposited copies of the attached Letter from SFPUC; Summary Work Plan Regarding Additional Site Characterization Activities for San Francisco Electric Reliability Project, in the United States mail at Sacramento, California with first class postage thereon fully prepaid and addressed to those identified on the Proof of Service list above. Transmission via electronic mail was consistent with the requirements of California Code of Regulations, title 20, sections 1209, 1209.5, and 1210. I declare under penalty of perjury that the foregoing is true and correct.


[signature]

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